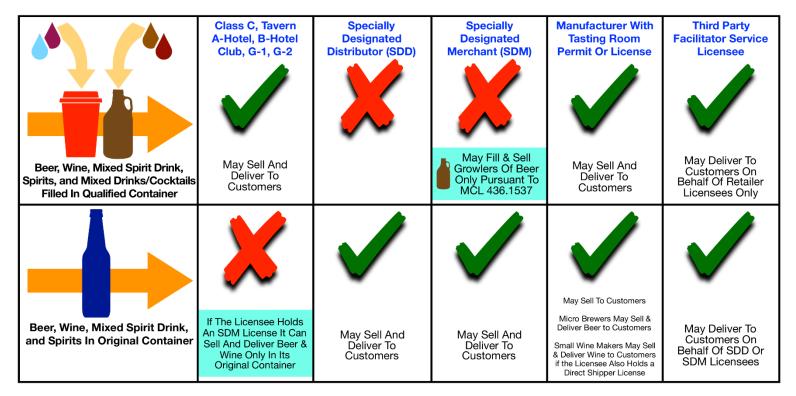


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Alcoholic Liquor To Go / For Delivery



<u>Licensees That Sell Alcoholic Liquor For On-Premises Consumption</u>

Pursuant to MCL 436.1537a, a qualified licensee may sell alcoholic liquor (beer, wine, spirits, mixed spirit drink, spirits, or mixed drinks/cocktails) in a qualified container to customers for consumption off the licensed premises. These drinks are commonly referred to as "alcohol to go" or "cocktails to go". The licensee or the licensee's employee must not fill the qualified container in advance of a sale. The licensee or the licensee's employee must seal the qualified container. A qualified licensee must not sell alcoholic liquor to a customer to go in its original container*.

A qualified licensee may also deliver alcoholic liquor in a qualified container to a customer. The licensee must stamp, print, or label the outside of the qualified container for delivery with the following statement: "Contains Alcohol. Must be delivered to a person 21 years of age or older". The recipient of the qualified container must provide identification to verify his or her age. The licensee or the licensee's employee must seal the qualified container. If the licensee is a Class C, Tavern, A-Hotel, B-Hotel, Brewpub, Club, G-1, or G-2 licensee, it may have its own employees deliver the qualified container of alcoholic liquor to a customer or it may utilize a Third Party Facilitator Service licensee to make the delivery. A manufacturer licensee with an approved tasting room permit or license may make a delivery of alcoholic liquor in a qualified container to a customer using only its own employees.

Qualified Licensees

- Class C license
- Tavern license
- A-Hotel license
- B-Hotel license
- Brewpub license
- Club license
- G-1 or G-2 license
- Manufacturer licensee with an On-Premises Tasting Room Permit
- Manufacturer licensee with an Off-Premises Tasting Room License
- Manufacturer licensee with a Joint Off-Premises Tasting Room License

A qualified container is a clean, sealable container that has a liquid capacity of one (1) gallon or less. After the container is filled it must be sealed with a device or material that is used to fully close off the container securely. The container can have no perforations or straw holes.

*Manufacturers with approved tasting room permits or licenses may sell alcoholic liquor that they manufactured to a customer to go in its original, unopened container. An on-premises retailer licensee that also holds a Specially Designated Merchant (SDM) license may sell beer and wine in original, unopened container to a customer to go.

Licensees That Sell Alcoholic Liquor For Off-Premises Consumption

The following license types may sell alcoholic liquor (beer, wine, mixed spirit drink, or spirits) in original, unopened containers to customers for consumption off the premises:

- Specially Designated Distributor license
- Specially Designated Merchant license
- Any combination of manufacturer licenses with On-Premises Tasting Room Permit:
 - Micro Brewer license
 - Brewer license
 - Small Wine Maker license
 - Wine Maker license
 - Small Distiller license
 - Distiller/Manufacturer of Spirits license
 - Mixed Spirit Drink Manufacturer license
- Off-Premises Tasting Room license
- Joint Off-Premises Tasting Room license

<u>Specially Designated Merchant (SDM) licensees</u> that are "qualified retailers" (see below) may deliver beer, wine, and mixed spirit drink products in original, unopened containers to customers at their homes or designated locations in compliance with MCL 436.1203(12):

- The beer or wine is delivered by the SDM licensee's own employees.
- The SDM licensee or its employee who delivers the beer, wine, or mixed spirit drink products verifies that the individual accepting delivery is at least 21 years of age.
- If the SDM licensee or its employee intends to provide service to consumers, the SDM licensee or its employee providing the service has received alcohol server training through a server training program approved by the Commission.

<u>Specially Designated Distributor (SDD) licensees</u> that are "qualified retailers" (see below) may deliver spirits products in original, unopened containers to customers at their homes or designated locations in compliance with MCL 436.1203(14):

- The spirits are delivered by the retailer's own employees.
- The SDD or its employee who delivers the spirits products verifies that the individual accepting delivery is at least 21 years of age.
- If the SDD or its employee intends to provide service to consumers, the retailer or its employee providing the service has received alcohol server training through a server training program approved by the Commission.

A qualified retailer must meet the requirements of MCL 436.1203(25)(n):

 The retailer must have a physical licensed premises that is open to the general public for face-to-face sales transactions of alcoholic liquor, packaged food, and other products to consumers. To be considered "open to the general public," a retailer must regularly permit potential customers to enter the premises to shop and make purchases, consistent with the common definitions of "open" and "general public."

- At least 25% of the retailer's annual gross sales of alcoholic liquor must be from face-to-face sales transactions with consumers on the licensed premises unless the retailer's physical licensed premises is less than 15,000 square feet in total.
- The retailer must hold a retail food establishment license or extended retail food establishment license for the licensed premises.

Furthermore, an applicant for a license must demonstrate that the proposed licensed premises is comprised of an adequate physical plant appropriate for the type and size of the proposed licensed business and that the location of the proposed licensed business will adequately service the public pursuant to R 436.1105(1)(c)-(d).

<u>Businesses with Brewpub and Micro Brewer licenses</u> may deliver beer they manufacture to customers at their homes or designated locations in compliance with MCL 436.1203(12):

- The beer is delivered by the Brewpub's or Micro Brewer's own employees.
- The Brewpub or Micro Brewer or its employee who delivers the beer verifies that the individual accepting delivery is at least 21 years of age.
- If the Brewpub or Micro Brewer or its employee intends to provide service to consumers, the Brewpub or Micro Brewer or its employee providing the service has received alcohol server training through a server training program approved by the Commission.

A Wine Maker or Small Wine Maker licensee that holds a Direct Shipper license may deliver wine in an original, unopened container to customers at their home if the licensee complies with the conditions for Direct Shipper licenses in MCL 436.1203.

<u>Third Party Facilitator Service licensees</u> may deliver beer, wine, mixed spirit drink, or spirits products in original, unopened containers on behalf of SDD and SDM licensees to customers at their homes or designated locations in compliance with MCL 436.1203(15) and (16):

- If the Third Party Facilitator Service licensees delivers beer, wine, or spirits, the third party facilitator service verifies that the individual accepting the delivery of the beer, wine, or spirits is at least 21 years of age.
- The retailer or consumer pays the fees associated with deliveries.
- The Third Party Facilitator Service licensees offers services for all brands available at the SDD or SDM licensed location.

Off-Premises Retailers Shipping Alcoholic Liquor By Common Carrier

A Specially Designated Merchant (SDM) licensee located in Michigan may use a common carrier to ship beer, wine, and mixed spirit drink directly to a consumer in Michigan. A Specially Designated Distributor (SDD) licensee located in Michigan may use a common carrier to spirits directly to a consumer in Michigan. The SDM or SDD licensee must be a qualified retailer to ship beer, wine, mixed spirit drink, or spirits to customers. To be a qualified retailer the licensee must comply with the following requirements in MCL 436.1203(25)(n):

- The retailer must have a physical licensed premises that is open to the general public for face-to-face sales transactions of alcoholic liquor, packaged food, and other products to consumers. To be considered "open to the general public," a retailer must regularly permit potential customers to enter the premises to shop and make purchases, consistent with the common definitions of "open" and "general public."
- At least 25% of the retailer's annual gross sales of alcoholic liquor must be from face-to-face sales transactions with consumers on the licensed premises unless the retailer's physical licensed premises is less than 15,000 square feet in total.
- The retailer must hold a retail food establishment license or extended retail food establishment license for the licensed premises.

A qualified retailer that holds a SDM or SDD licensee must comply with all of the following requirements if it chooses to ship beer, wine, mixed spirit drink, or spirits through a common carrier:

- Pay any applicable taxes to the Commission and to the Michigan Department of Treasury, as directed by the Department of Treasury. The licensee shall furnish an affidavit to the Department of Treasury to verify payment, if requested.
- Comply with all Michigan laws, including, but not limited, the prohibition on sales to minors.
- Verify the age of the individual placing the order by obtaining from him or her a copy of a photo
 identification issued by Michigan, another state, or the federal government or by using an identification
 verification service. The person receiving and accepting the order on behalf of the SDM or SDD
 licensee shall record the name, address, date of birth, and telephone number of the individual placing
 the order on the order form or other verifiable record of a type and generated in a manner approved
 by the Commission and provide a duplicate to the Commission.
- On request of the Commission, make available to the Commission any document used to verify the age of the individual ordering or receiving the beer, wine, or mixed spirit drink product from the retailer.
- Stamp, print, or label on the outside of the shipping container that the package "Contains Alcohol.
 Must be delivered to a person 21 years of age or older". The recipient at the time of the delivery shall
 provide identification verifying his or her age and sign for the delivery.
- Place a label on the top panel of the shipping container containing the name and address of the individual placing the order and the name of the designated recipient if different from the name of the individual placing the order.
- If the licensee has been issued licenses at more than 2 locations, the shipment of the beer, wine, or mixed spirit drink must be fulfilled from the location nearest to the consumer unless that location does not have the beer, wine, or mixed spirit drink ordered in stock.

A Specially Designated Merchant or Specially Designated Distributor licensee that complies with the provisions listed above may ship beer, wine, mixed spirit drink, or spirits products directly to a consumer through a common carrier without obtaining any additional approval from the Commission.

Specially Designated Merchant Licensees Filing Growlers

Pursuant to MCL 436.1537(6) and (8), a Specially Designated Merchant (SDM) licensee may fill growlers of beer. The SDM licensee must comply with the requirements for food service establishments under the Food Law of 2000, pursuant to MCL 436.1537(6)(a). Pursuant to MCL 436.1537(8)(b), a growler container that can be filled by an SDM licensee may be any clean, refillable, resealable container that is exclusively intended, and used only, for the sale of beer for consumption off the premises. The capacity of the growler container cannot exceed 1 gallon.

Filling of growlers by SDM licensees must comply with the following requirements:

- 1. The licensee shall not fill a growler in advance of the sale.
- 2. The licensee shall only fill growlers from another container that has a capacity of 5 gallons or more.
- 3. The beer to be filled must have a registration number from the Commission pursuant to administrative rule R 436.1611(1)(d).
- 4. The growler is sealed and a label is affixed that includes the brand name of the beer, the class of beer, net contents of the container, and the name of the retailer filling the growler. The "class" is, generally speaking, a term like "ale", "malt liquor", "lager", etc. These are designations from the Federal Alcohol and Tobacco Tax and Trade Bureau (TTB) and can be found in the TTB Beverage Alcohol Manual for labeling malt beverages: https://www.ttb.gov/beer/bam.shtml.

In-State Licensees Delivering Alcoholic Liquor Out-of-State

In-state licensees must comply with all federal alcohol exportation laws as well as other states' alcohol importation laws. Failure to comply with federal and state laws could result in a liquor violation, suspension, or revocation for committing an illegal act on the licensed premises. If committed before licensure, such violations could also result in license denial. Federal export requirements may vary depending on what product is being exported (e.g. beer, wine, or distilled spirits), whether the exporter is also the producer of the product, and/or whether the product is being exported tax paid or without payment of tax. See https://www.ttb.gov/itd/exporting-alcohol-beverages.

Prohibition on Out-of-State Retailers Shipping Alcohol to Michigan Consumers

Sales and deliveries of alcoholic liquor within Michigan are permitted only if they comply with the Michigan Liquor Control Code and the Commission's administrative rules. Only SDD and SDM retailers located in Michigan may ship alcoholic liquor to Michigan consumers. The Michigan Liquor Control Commission (MLCC) monitors shipments of alcoholic liquor within and into Michigan through common carrier reports filed with the Commission pursuant to MCL 436.1203(19). The MLCC also consults regularly with the Department of Attorney General, the agency authorized to take enforcement action under federal and state laws against unlicensed people who illegally ship alcoholic liquor to Michigan consumers.

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